

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Promoting Investment in the 3550-3700 MHz)	GN Docket No. 17-258
Band)	

To: The Commission

REPLY COMMENTS OF THE BLOOSTON RURAL CARRIERS

The Blooston Rural Carriers hereby submit their Reply Comments in the above referenced proceeding. Upon review of the comments, it is clear that the Commission should not make significant changes to the rules governing 3550-3700 MHz band (3.5 GHz Band) Priority Access Licenses (PALs). The proposed expansion of PAL geographic licensing area from census tracts to Partial Economic Area (PEAs) is ill-suited for a frequency band that finds among its primary uses the extension of broadband access to small and remote communities that have been overlooked by large carriers. Moving to PEA licenses would foreclose investment, innovation and meaningful competition from hundreds if not thousands of smaller service providers and entrepreneurs, regardless of whether the spectrum is used to support 4G or emerging 5G services. Converting a portion of the PAL licenses to county-based licenses would appear to be a reasonable compromise that would promote participation by a broader array of service providers as well as be easier for the FCC and licensees to administer. Retaining census tract licensing for a portion of the PAL spectrum is vital to meeting the Commission's obligations under Section 309(j) of the Communications Act, and preserving opportunities for entrepreneurs and smaller companies that fill a vital niche in the broadband marketplace. To create and preserve greater incentives for investment in wider-area PAL services, the term of county-based PALs should be extended to five years and coupled with a renewal expectancy

provided that reasonable (and population-based) construction and service benchmarks are met. While secondary market rights should not be viewed as a substitute for adopting “right-sized” licenses in the first instance, the record in this proceeding supports extension of flexible and robust partitioning and disaggregation rights to holders of county-based PALs. The Commission should maintain current rules on disclosure of CBSD location information since this will benefit possible entrants into the market who need information to explore feasibility of deploying service.

I. The Commission Can Ensure Optimal Investment and Innovation in the 3.5 GHz CBRS band by Assigning PALs as a Mix of Census Block and County-Based Licenses

With the exception of nationwide incumbent wireless carriers and wireless trade groups that represent or that are dominated by large wireless carrier members, the record in this proceeding demonstrates that PEA licensing for PAL spectrum will significantly limit PAL network investment overall and stymie innovation that is necessary to ensure America’s leadership in the push to 5G. No single spectrum band will be used to support 5G services, and the chief advantage of the 3.5 GHz CBRS band is that it provides for small geographic area licenses that will attract the broadest range of private users and network operators, especially in rural areas. PEA-sized license areas will depress investment by denying rural carriers, WISPs and site-based industrial, healthcare and hospitality companies access to PALs. In this regard, the Blooston Rural Carriers agree with Google that moving to overly large license areas “would reduce the overall utility of the spectrum by effectively barring rural broadband providers, industrial IoT operators, venue owners, and other non-traditional licensees from the PAL market,

and concentrate the remaining benefits in a small group of large carriers.”¹

Dozens of WISPs and their trade association have made a compelling case that WISP operations and the consumers they serve would be irreparably harmed by the use of PEAs for PAL licensing, and that smaller geographic areas are more efficient for small carriers who need to ensure interference-free operation and maximize effectiveness of limited resources.² PEA-sized-licenses would likewise harm rural and independent telephone companies that seek to deploy 4G and new 5G services in smaller, remote communities, but 3-year non-renewable census-block licenses do not provide adequate incentives for larger-scale rural deployments that require the added measure of interference protection that PALs provide. A consensus of rural carriers and CATV providers believe that county-based PALs are appropriate, so a reasonable alternative would be to provide for a hybrid mix of census-block and county-based PAL licenses.

II. The Record Supports County-Based PALs

Both rural and CATV interests support PAL licensing on the basis of counties. In light of the many WISPs and potential niche service providers that want to invest and innovate in the 3.5 GHz CBRS band, the Blooston Rural Carriers agree with NTCA – The Rural Broadband Association (“NTCA”) that the Commission should allocate PALs as a mix of counties and census tracts.³ NTCA correctly notes that “[r]etaining some spectrum licensed according to census tracts would preserve plans already in place to leverage the spectrum for innovative uses, while also creating larger license areas that better fit the business plans of other licensees, including Petitioners.”⁴ The Blooston Rural Carriers also agree with

¹ Comments of Google, LLC (“*Google Comments*”) at p. 12.

² See, e.g., Comments of The Wireless Internet Service Providers Association (“*WISPA Comments*”) *passim*; Comments of Cal.net, Inc. (“*CalNet Comments*”) at pps. 2-6; Comments of Eastern Oregon Net, Inc. (“*EONI Comments*”) at p. 2; Comments of Vertical Broadband (“*Vertical Broadband Comments*”) at p. 7; Comments of Next Century Cities (“*NCC Comments*”) at pp. 4-5.

³ Comments of NTCA – The Rural Broadband Association (“*NTCA Comments*”) at p. 7.

⁴ *Id.*

NTCA’s observation that licensing some PALs on a county basis would accommodate many different kinds of providers while at the same time adhering to the Commission’s obligations under Section 309(j) of the Communications Act. NTCA, like the Blooston Rural Carriers, recommends licensing two (2) PALs according to the current census tract plan and five (5) PALs as county-based licenses.⁵

County-sized PALs make sense because this would accommodate a wide variety of business models. Operators with plans to deploy Category B CBSDs over a wide area would be able to secure uniform PAL rights efficiently without the very real concern of losing access to PAL spectrum rights in a strategic census tract. County-sized PALs would also make negotiating secondary market arrangements more efficient for all parties involved. Counties “nest” into larger geographic service areas and operators would have the ability to efficiently secure protected PAL rights over a larger area by aggregating county-based licenses.⁶

Moving to larger geographic license territories would “upend the CBRS licensing framework”⁷ and upset the investment-backed expectations of many small and rural carriers. At the same time, however, “nothing beyond inconvenience” prevents larger providers from participating in a county-based PAL auction and aggregating PALs to suit their needs.⁸ RWA correctly observes that “[a]dopting PEAs at this late stage would be tantamount to a bait-and-switch for small and rural providers, particularly those holding legacy 3.65 GHz licenses, who have relied for well over two years on the original 2015 rules.”⁹ RWA correctly contrasts the 3.5 GHz CBRS spectrum with the low-band, high-power 600 MHz band spectrum that was made available to bidders in the recent Incentive Auction on the basis of PEA-sized service areas. “[T]he 3.5 GHz band has lower power limits and will be used for smaller scale and

⁵ *Id.*

⁶ *Id.* at p. 8.

⁷ Comments of the Rural Wireless Association (“*RWA Comments*”) at p. 3.

⁸ *NTCA Comments* at p. 9

⁹ *RWA Comments* at p. 3.

targeted deployments.”¹⁰

RWA has indicated that it would be amenable to a hybrid approach to PAL licensing, and it would not oppose the adoption of county-based licenses for PALs.¹¹ “Short of preserving census tracts entirely, such hybrid approaches would largely preserve the right-sized coverage and cost of PALs that would afford small and rural providers the ability to participate in PAL auctions and bring cutting edge broadband technologies to rural areas without delay.”¹²

CATV and broadband service providers and their industry trade group also support the use of counties for PAL licensing. In this regard, NCTA – The Internet and Television Association (NCTA) believes that counties strike the right balance between incenting investment and enabling market access by new entrants, and supports a modest increase in PAL size “to reduce the administrative burden on the Commission and on network operators and to incent investment by operators seeking to deploy in a larger footprint.”¹³ Their comments observe that county-based licensing “would reduce auction complexity and significantly simplify license management burdens and border coordination issues.”¹⁴ Citing to the Spectrum Frontiers NPRM, NCTA highlights the Commission’s observation that counties serve as the building blocks for traditional license areas such as Economic Areas and Cellular Market Areas and carriers may aggregate them to achieve coverage that aligns with their existing footprints.¹⁵

The Blooston Rural Carriers agree with NCTA that county-sized PAL licenses would support rural deployment better than PEAs. A county-based geographic licensing approach would enable a rural provider to compete in an PAL auction for just its rural counties of interest, significantly reducing the

¹⁰ RWA Comments at p. 3.

¹¹ RWA Comments at p. 4

¹² RWA Comments at pp. 4-5.

¹³ Comments of NCTA – The Internet and Television Association (*NCTA Comments*) at pp. 3-4.

¹⁴ *NCTA Comments* at p. 4.

¹⁵ *NCTA Comments* at p. 4, citing Use of Spectrum Bands Above 24 GHz for Mobile Radio Services, et al., *Notice of Proposed Rulemaking*, 30 FCC Rcd 11,878, 11,912 ¶ 111 (2015).

cost and increasing the probability of securing one.

Comcast Corporation (Comcast) believes that counties are inherently well-suited to licensing the 3.5 GHz band, finding that “[c]ounty-level licenses strike a balance between small, granular license areas that promote innovative uses of the band and the administrative efficiency and investment incentives that come with larger license areas.”¹⁶ The Blooston Rural Carriers agree that counties will be best for certain types of 4G and 5G deployments, but believe that auctioning a portion of the 3.5 GHz band PALs on the basis of a mix of counties and census tracts would help to fulfill the Commission’s obligation under Section 309(j) of the Act to create opportunities for a wide variety of applicants as well as ensure the intensive and efficient use of the 3.5 GHz band spectrum.

The Commission has noted that county-based licensing for spectrum bands suited for 5G use “affords a licensee the flexibility to develop localized services, allows for targeted deployments based on market forces and customer demand, and facilitates access by both smaller and larger carriers.”¹⁷ Licensing a portion of the PAL spectrum on the basis of counties while preserving some PALs for census-tract-based licensing allows the Commission to effectively balance the policy objectives set forth in section 309(j) of the Act, including . . . ‘an equitable distribution of licenses and services among geographic areas’ and ‘economic opportunity for a wide variety of applications.’”

Of the commenters that are critical of county-based PALs, General Electric Company indicates that county-based PALs would be well beyond what its industrial and critical-infrastructure customers are willing to spend. For this reason, it makes sense to retain census-tract-based licensing for a portion of the PALs, as well as to allow for geographic partitioning of PALs so industrial and manufacturing companies like GE can secure 3.5 GHz spectrum with protection rights over smaller and custom-sized areas. The Blooston Rural Carriers have proposed maintaining a portion of the PAL spectrum for census tract

¹⁶ Comments of Comcast Corporation (*Comcast Comments*) at pps. 2, 5-11.

¹⁷ See Use of Spectrum Bands Above 24 GHz For Mobile Radio Service, *Report and Order and Further Notice of Proposed Rulemaking*, 31 FCC Rcd 8014 at para 35 (2016) (“*Spectrum Frontiers Report and Order*”).

licensing to allow for such specialized operations.

III. The Commission Should Increase the License Term for County-Based PALs

Because commercial service providers may be reluctant to make significant investments in 3.5 GHz PALs for wide-area 4G and 5G networks without the assurance that they will be able to recoup their initial investment, the Blooston Rural Carriers suggested that the license term for county-based PALs should be extended to five years, with the ability for applicants to secure two consecutive terms during the first application window for a total of ten years.¹⁸

Comments of NTCA agreed with the Blooston Rural Carriers that county-based PAL licenses should be entitled to a slightly longer license term, due to the additional cost and time needed to secure outdoor siting rights and to design and construct a wide-area network.¹⁹

The Blooston Rural Carriers also agree with RWA that lengthening the PAL license term to 10-years will result in spectrum lying fallow in rural areas and deprive small and rural providers of access to protected 3.5 GHz spectrum.²⁰ RWA supports the extension of five-year license terms to county-based PALs.²¹ “Though counties are greater in size than census tracts, five year terms in such license areas would still allow carriers to efficiently deploy their networks in correlation to potential subscribers within the license area while accounting for any challenges that may arise from serving a larger territory.”²² The Blooston Rural Carriers believe that a grant of two consecutive five year terms to those requesting it will allow for the planning,

¹⁸ Comments of the Blooston Rural Carriers (“*Blooston Comments*”) at p. 10.

¹⁹ *NTCA Comments* at p. 9.

²⁰ *RWA Comments* at p. 7.

²¹ *RWA Comments* at p. 9.

²² *RWA Comments* at pp. 9-10.

budgeting, and construction necessary to establish a sustainable operation, with five year renewal terms thereafter.

NCTA and Comcast both urge the Commission to lengthen the term of county-based PALs to seven years, and to grant county-based PAL licensees a renewal expectancy if performance requirements are timely met.²³ The Blooston Rural Carriers believe that a five-year license term (expandable to ten-years if two license terms are acquired in an initial auction) is more appropriate because it will help prioritize and facilitate the rapid deployment of PAL services to rural areas.

IV. Secondary Markets Framework Should Apply to County-Based PALs

While partitioning should never be viewed as a substitute for adopting a mix of right-sized licenses in the first instance, the Blooston Rural Carriers have urged the Commission to adopt robust and streamlined (light-touch) leasing rules for PALs that are licensed for county-sized areas.²⁴ Also, the Commission should consider creating incentives to partitioning arrangements involving county-sized PALs to address the spectrum needs of Critical Infrastructure Industries including oil and gas companies, electric utilities, and railroads, as well as to create additional opportunities for designated entities.

Among the proponents of partitioning and disaggregation for county-sized licenses, NCTA observes that partitioning and disaggregation rights for county-based PAL licensees would provide flexibility to both the license holder and others who have a need for interference-protected spectrum in a discrete area that is smaller than a county but that was unable to participate or that failed to win a license at auction.²⁵

²³ NCTA Comments at pp. 11-14; Comcast Comments at pp. 16-20.

²⁴ Blooston Comments at pp. 11-12.

²⁵ NCTA Comments at p. 10.

CONCLUSION

The Blooston Rural Carriers respectfully request that the Commission make only modest changes to its 3.5 GHz CBRN framework by offering a reasonable mix census tract and county-based PAL licenses, extending the term of county-based PALs to five years and coupled with a renewal expectance if reasonable (and population-based) construction and service benchmarks are met. While secondary market rights should not be viewed as a substitute for adopting “right-sized” licenses in the first instance, the record in this proceeding supports extension of flexible and robust partitioning and disaggregation rights to holders of county-based PALs. The Commission should also maintain current rules on disclosure of CBSD location information for the benefit of new entrants into the market who need information to explore feasibility of deploying service.

Respectfully submitted,

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Dated: January 29, 2018

Blooston Rural Carriers

Calumet Radio Dispatch	Portage, IN
Choctaw Telephone Co.....	Halltown, MO
Dunkirk & Fredonia Telephone Co. Inc.	Fredonia, NY
Electra Telephone Co.....	Electra, TX
Haxtun Telephone Co.	Haxtun, CO
Lincoln County Telephone System, Inc.....	Pioche, NV
Midstate Communications	Kimble, SD
MoKan Dial, Inc.	Louisburg, KS
Moultrie Independent Telephone Company	Lovington, IL
Northeast Florida Telephone.....	Macclenny, FL
Nucla-Naturita Telephone Co.	Nucla, CO
Ponderosa Telephone Company	O’Neals, CA
Pymatuning Independent Telephone Company	Greenville, PA
Red River Communications	Abercrombie, ND
Shawnee Telephone Co., Inc.	Equality, IL
Supreme Security Systems, Inc.....	Union, NJ
Table Top Telephone Co., Inc.	Ajo, AZ
Tatum Telephone Co.....	Tatum, TX
Venture Communications Cooperative	Highmore, SD
Walnut Hill Telephone Co.	Lewisville, AR
Webster-Calhoun Cooperative Telephone Association	Gowrie, IA